

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State MICHIGAN
HEALTH MAINTENANCE ORGANIZATIONS

The Medicaid agency may enter into a risk contract with a health maintenance organization if

1. the health maintenance organization is qualified under title XIII of the Public Health Service Act or is provisionally qualified as a health maintenance organization pursuant to section 1903(m)(3) of the Social Security Act;

OR

2. the health organization meets the definition contained in section 21011 of the Public Health Code, Act No. 368 of 1978, as amended, which states that a "health maintenance organization means a health facility or agency that delivers health maintenance services which are medically indicated to enrollees under the terms of its health maintenance contract, directly or through contracts with affiliated providers, in exchange for a fixed prepaid sum or per capita prepayment, without regard to the frequency, extent, or kind of health services," and the health maintenance organization is

organized primarily for the purpose of providing health care services,

makes the services it provides to its Medicaid enrollees as accessible to them (in terms of timeliness, amount, duration, and scope) as those services are to nonenrolled Medicaid recipients within the area served by the health maintenance organization, and

makes provision, satisfactory to the Medicaid agency, against the risk of insolvency, and assures that Medicaid enrollees will not be liable for the health maintenance organization's debts if it does become insolvent;

OR

3. the contractor meets health maintenance organization comparable state standards of quality, access, financial, and recipient rights as specified in a Request for Proposal for comprehensive medical services issued by the Department of Community Health for the purpose of selecting health plans, and the contractor

is organized primarily for the purpose of providing health care services,

makes the services it provides to its Medicaid enrollees as accessible to them (in terms of timeliness, amount, duration, and scope) as those services are to nonenrolled Medicaid recipients within the area served by the health organization, and

makes provision, satisfactory to the Medicaid agency, against the risk of insolvency, and assures that Medicaid enrollees will not be liable for the health organization's debts if it does become insolvent.

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